



## INDEPENDENT AUDITOR'S REPORT

To Claudette Ricketts, official agent for Canada's Fourth Front

### Qualified Opinion

I have audited the accompanying Registered Party Financial Transactions Return (the "Return") of the Canada's Fourth Front for the year ending December 31, 2020. The financial information in the Return has been prepared by the Chief Agent of the Canada's Fourth Front based on the financial reporting provisions of Section 432 of the Canada Elections Act and in the prescribed form issued by Elections Canada.

In my opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion section of my report, the Return of the Canada's Fourth Front for the year ending December 31, 2020 is prepared, in all material respects, in accordance with the financial reporting provisions of Section 432 of the Canada Elections Act and in the prescribed form issued by Elections Canada.

### *Basis for Qualified Opinion*

In common with organizations of this type, Canada's Fourth Front derives revenue from contributions, the completeness of which is not susceptible of satisfactory audit verification. Accordingly, my verification of revenues from contributions was limited to the amounts recorded in the records of the Canada's Fourth Front and I was not able to determine whether any adjustments might be necessary to the amount of contributions, excess of revenue over expenditures for the year and net assets reported.

I conducted our audit in accordance with Canadian generally accepted auditing standards. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Return section of my report. I am independent of the Canada's Fourth Front in accordance with the ethical requirements that are relevant to my audit of the Return in Canada, and I have fulfilled my ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

### **Emphasis of Matter - Basis of Accounting and Restriction on Distribution and Use**

Without modifying my opinion, I draw attention to the Note to the Return which describes the basis of accounting. The Return is prepared to assist the Chief Agent of the Canada's Fourth Front to meet the requirements of the Canada Elections Act. As a result, the Return may not be suitable for another purpose. My report is intended solely for the Chief Agent of the Canada's Fourth Front and the Chief Electoral Officer, and should not be distributed to or used by parties other than the Chief Agent and the Chief Electoral Officer.

### **Responsibilities of the Chief Agent and Those Charged with Governance for the Return**

The Chief Agent is responsible for the preparation of the Return in accordance with the financial reporting provisions of Section 432 of the Canada Elections Act and in the prescribed form issued by Elections Canada, and for such internal control as the Chief Agent determines is necessary to enable the preparation of the Return that is free from material misstatement, whether due to fraud or error.



Those charged with governance are responsible for overseeing Canada's Fourth Front's financial reporting process.

### **Auditor's Responsibilities for the Audit of the Financial Statements**

My objectives are to obtain reasonable assurance about whether the Return as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this Return.

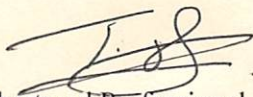
As part of an audit in accordance with Canadian generally accepted auditing standards, I exercise professional judgment and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Canada's Fourth Front's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Chief Agent.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

### **Report on Other Legal and Regulatory Requirements**

As required by Subsection 435(1) of the Canada Elections Act, the Return presents the information as contained in the financial records on which it is based.



Chartered Professional Accountant, Professional Corporation  
Authorized to practice public accounting by The Chartered Professional Accountants of Ontario

Scarborough, Ontario  
August 30, 2021



## CANADA'S FOURTH FRONT

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Note to the Registered Party Financial Transaction Return  
December 31, 2020

The Registered Party Financial Transactions Return has been prepared in accordance with the financial reporting provisions of Section 432 of the Canada Elections Act and in the prescribed form issued by Elections Canada.

The Return is prepared to assist the Chief Agent to meet the requirements of the Canada Elections Act. The Return is intended solely for the use of the Chief Agent and the Chief Electoral Officer. Accordingly, readers are cautioned that the Return may not be suitable for another purpose. The Canada Elections Act requires that the Return be made available for public inspection.

Audited financial statements of

**CANADA'S FOURTH FRONT**

For the year ended December 31, 2020

Audited financial statements of

**CANADA'S FOURTH FRONT**

For the year ended December 31, 2020

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## **INDEPENDENT AUDITOR'S REPORT**

To Claudette Ricketts, official agent for Canada's Fourth Front

### **Qualified Opinion**

I have audited the accompanying financial statements of Canada's Fourth Front, which comprise the statement of financial position as at December 31, 2020, and the statement of operations and changes in net assets and cash flows for the year then ended, and a summary of significant accounting policies.

In my opinion, except for the possible effect of the matter described in the Basis for Qualified Opinion section of my report, the accompanying financial statements present fairly, in all material respects, the financial position of Canada's Fourth Front as at December 31, 2020, and the result of its operations and its cash flows for the period then ended in accordance with Canadian accounting standards for not-for-profit organizations.

### *Basis for Qualified Opinion*

In common with many charitable organizations, Canada's Fourth Front derives revenue from donations and fundraising activities, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, verification of these revenues were limited to the amounts recorded in the records of Canada's Fourth Front. Therefore, I was not able to determine whether any adjustments might be necessary to recorded donations and fundraising activities revenue, excess of expenses over revenue, cash flows from operations for the years ended December 31, 2020, current assets as at December 31, 2020, and net assets as at December 31, 2020.

I conducted my audit in accordance with Canadian generally accepted auditing standards. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am independent of Canada's Fourth Front in accordance with the ethical requirements that are relevant to my audit of the financial statements in Canada, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified audit opinion.

### **Responsibilities of Management and Those Charged with Governance for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian accounting standards for not-for-profit organizations, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing Canada's Fourth Front's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate Canada's Fourth Front or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing Canada's Fourth Front's financial reporting process.



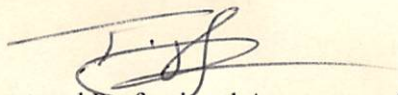
## Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, I exercise professional judgment and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Canada's Fourth Front's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on Canada's Fourth Front's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause Canada's Fourth Front to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



Chartered Professional Accountant, Professional Corporation  
Authorized to practice public accounting by The Chartered Professional Accountants of Ontario

Scarborough, Ontario  
August 30, 2021



## CANADA'S FOURTH FRONT

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Statement of Financial Position  
As at December 31, 2020

### ASSETS

Current

Bank

\$ 161

### LIABILITIES AND SHORTFALL

Liabilities

Current

Due to members

\$ 710

Shortfall

(549)

\$ 161

See accompanying notes to financial statements.

Approved by the Board \_\_\_\_\_ Director \_\_\_\_\_ Director



## CANADA'S FOURTH FRONT

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Statement of Operations and Change in Net Assets  
For the period from September 19, 2019 to December 31, 2020

Revenue	\$	18,976
Operating expenses		
General election		13,894
Advertising		5,067
Professional fees		376
Bank charges		188
		<u>19,525</u>
Deficiency of revenue over expenses, being shortfall, end of period	\$	<u>(549)</u>

See accompanying notes to financial statements.



## **CANADA'S FOURTH FRONT**

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### Statement of Cash Flows

For the period from September 19, 2019 to December 31, 2020

Cash provided by (used in)

Operations

Deficiency of revenue over expenses, being shortfall, end of period	\$	(549)
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Financing

Proceeds from members		<u>710</u>
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Net decrease in cash for the year		161
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Bank, beginning of year		<u>-</u>
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Bank, end of year	\$	<u>161</u>
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Bank comprises the following amounts:

Bank balance	\$	<u>161</u>
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See accompanying notes to financial statements.



## CANADA'S FOURTH FRONT

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### Notes to Financial Statements

For the period from September 19, 2019 to December 31, 2020

Canada's Fourth Front (Organization) was formed on September 19, 2019. It is a not-for-profit political organization. The Organization is a registered official political party under the Elections Canada Act. The Organization participates in federal elections and is active in a wide range of extra parliamentary activities across Canada on a consistent and ongoing basis.

These financial statements reflect the activities of Organization. The Organization is a not-for-profit organization under the Income Tax Act, accordingly, is exempt from income taxes provided certain requirements under the Income Tax Act are met. In the opinion of management, these requirements have been met.

In March 2020, the World Health Organization declared the COVID-19 outbreak a global pandemic. This contagious disease outbreak, and related public health developments, have adversely affected workforces, economies, and financial markets globally, potentially leading to an economic downturn. It is not possible for the Organization to predict the duration or magnitude of the adverse results of the outbreak and its effects on the Organization's operations and its ability to maintain the current level services to its members.

Since the pandemic, the Organization has changed the method in which it conducts its operations with no physical events taking place. The Organizations operations have been significantly impacted due the COVID lockdown and guidelines.

#### 1. Significant accounting policies

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO) and include the following significant accounting policies:

(a) *Revenue recognition*

The Organization follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue when they are received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. Endowment contributions are recognized as direct increases in net assets in the year.

Donations and fundraising revenues are recognized up on receipt of cash.

(b) *Use of estimates*

The preparation of financial statements in accordance with ASNPO requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Significant item subject to such estimates and assumptions include the estimated accuracy of accrued liabilities. Actual amounts could differ from those estimates.



Notes to Financial Statements, continued  
For the period from September 19, 2019 to December 31, 2020

### 1. Significant accounting policies, continued

#### (c) *Financial instruments*

##### Measurement of financial instruments

The Organization initially measures its financial assets and financial liabilities at fair value. The Organization subsequently measures all its financial assets and financial liabilities at amortized cost, except for investments in equity instruments that are quoted in an active market, which are measured at fair value. Changes in fair value are recognized in net income. The Organization's financial instruments measured at amortized cost consist of Bank, PSB rebate receivable, accounts payable and accrued liabilities and government remittances payable. Unless otherwise noted, it is management's opinion that the Organization is not exposed to significant interest, currency, price and market risks arising from these financial instruments.

##### Impairment

Financial assets measured at cost are tested for impairment when there are indicators of impairment. The amount of the write-down is recognized in net income. The previously recognized impairment loss may be reversed to the extent of the improvement, directly or by adjusting the allowance account, provided it is no greater than the amount that would have been reported at the date of the reversal had the impairment not been recognized previously. The amount of the reversal is recognized in net income.

##### Transaction costs

The Organization recognizes its transaction costs in net income in the period incurred. However, the carrying amount of the financial instruments that will not be subsequently measured at fair value is reflected in the transaction costs that are directly attributable to their origination, issuance or assumption.

### 2. Volunteer services

The work of the Organization is accomplished by a significant contribution of voluntary services. The organization does not record the value of volunteer services unless the fair value can be reasonably estimated. These services are received gratuitously; therefore, no value has been included in these financial statements as the fair value is not determinable.

### 3. Financial instruments

The Organization is exposed to various risks through its financial instruments, without being exposed to concentrations of risk. The following analysis provides a measure of the Organization's risk exposure at the balance sheet date, and there has been no change to the risk exposures from prior year.



Notes to Financial Statements, continued

For the period from September 19, 2019 to December 31, 2020

### 3. Financial instruments, continued

#### *Liquidity risk*

Liquidity risk is the risk that the Organization will be unable to fulfil its obligations on a timely basis or at a reasonable cost. The Organization's exposure to liquidity risk is dependent on the donations, fundraising activities and grants, collection of receivables, purchasing commitments and obligations or raising of funds to meet commitments and sustain operations. Cash flow from operations provides a substantial portion of the Organization's cash requirements. Management is of the opinion that liquidity risk is not a significant risk.

### 4. Subsequent events

Due to the ongoing developments surrounding the COVID-19 outbreak and containment efforts of the pandemic, management is assessing the impact of the pandemic on operations. Given the unprecedented nature of this event, it is difficult to predict the length or breadth of any impact on revenue and expenses of the Organization.



**CFF-CANADA'S FOURTH FRONT**  
**Statement of Assets and Liabilities (\$)**  
**December 31, 2020**

**ASSETS**

**CURRENT**

Cash	160.73
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**LIABILITIES**

Current Liabilities	0.00
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Accounts Payable	0.00
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NET ASSETS	160.73
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Net Assets Beginning of period	0.00
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Net Assets End of Period (Surplus)	<u>160.73</u>
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## CFF- CANADA'S FOURTH FRONT

### Statement of Revenues, Expenses and Surplus (\$)

August 27, 2019- Dec 31, 2020 (First Annual Return)

#### Revenue

Contributions	17,600.00
Transfers Received	6,600.00
Misc Income	0.24
Loan from Party Leader	710.00
	<u>24,910.24</u>

#### Expenses

General Election Expenses	13,894.46
Partisan Advertising Expenses	5,067.16
Tranfers Out	5,223.94
Bank Fees	187.95
Auditor 18 Jun 2020	226.00
Auditor 02 Oct 2020	150.00
	<u>24,749.51</u>

Excess of Revenue over Expenses (Surplus)	<u>160.73</u>
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